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89-918

No.

IN THE
Supreme Court of the United States
OCTOBER TERM, 1989

THE STATE OF TEXAS
Petitioner,

vs.

WEST PUBLISHING COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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QUESTIONS PRESENTED

The United States Court of Appeals for the Fifth Circuit's decision in *Texas v. West Publishing Company* presents the following fundamental questions concerning the ability of a State to provide its citizens with access to its statutory law:

1. Whether Texas' interest in returning its statutory law to the public domain is sufficiently adverse to West's putative copyright interest to present an actual controversy, notwithstanding the State's status as a non-commercial publisher.

2. Whether Texas' invalidity claim removes the actual controversy inherent in its work-for-hire and joint ownership claims.

PARTIES TO THE PROCEEDINGS BELOW

The parties to the proceeding below were the petitioner, the State of Texas, and the respondent, West Publishing Company.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

Petitioner State of Texas ("Texas") respectfully prays that a writ of certiorari issue to review the September 5, 1989, decision of the United States Court of Appeals for the Fifth Circuit, which affirmed the order and decision of the United States District Court for the Western District of Texas. The Fifth Circuit opinion held that subject matter jurisdiction was lacking under the Declaratory Judgment Act, 28 U.S.C. § 2201, because Texas' lawsuit failed to present an actual controversy. The Fifth Circuit's decision was based upon the fact that Texas is not a commercial publisher of Texas statutory law, the law which forms the basis of this dispute.

OPINIONS BELOW

The opinion of the Court of Appeals for the Fifth Circuit is reported at 882 F.2d 171, and is reprinted in Appendix A attached hereto. The order of the United States District Court for the Western District of Texas (Smith, J.) is

reported at 681 F.Supp. 1228, and is reprinted in Appendix B attached hereto.

JURISDICTION

The Fifth Circuit entered its judgment on September 5, 1989. This Court has jurisdiction to review the judgment by writ of certiorari under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

The instant case involves the following statutes, which are lengthy and which are set forth in Appendix C attached hereto:

17 U.S.C. § 101
17 U.S.C. § 102
17 U.S.C. § 103
17 U.S.C. § 107
17 U.S.C. § 201
28 U.S.C. § 2201

STATEMENT OF THE CASE

The State of Texas filed this lawsuit on September 28, 1987, in the United States District Court for the Western District of Texas, invoking jurisdiction under 28 U.S.C. § 1338. The dispute in this case involves the ownership of a portion of Texas statutory law, namely various article and section numbers and headings. The disputed article and section numbers and headings were assigned by West over the past 40 years pursuant to contracts with Texas to compile, index, and publish Texas session laws. In 1985, in a countersuit against a private publisher, West first asserted a copyright in the arrangement of such statutes, as well as the section numbers and headings provided by West under its contract with Texas. *Texas v. West Publishing Co.*, 882 F.2d 171, 174 (5th Cir. 1989).

To provide citizens and lawmakers with ready access to legislation enacted by the State, the Texas Constitution instructed the first Legislature to provide for the revising, digestion, and publishing of all laws. ROA, vol. 3, p.

480.[1] Subsequent Legislatures were given the ability to make like revisions at ten year intervals. ROA, vol. 3, p. 480. Revisions were made in the years 1895, 1911, and 1925. ROA, vol. 2, p. 379; ROA, vol. 3, p. 480.

In 1925, the Texas Legislature extensively reorganized all laws in effect at the time into a two volume set called Texas Revised Civil Statutes. 882 F.2d at 173. The 1925 Texas arrangement divided the law into three broad categories--civil statutes, criminal statutes, and criminal procedure. *Id.* Each of these major divisions was then broken down into subject matter classes called titles which were arranged in alphabetical order beginning with "Accountants" and ending with "Workers' Compensation." ROA, vol. 3, p. 480. Each section of the statutes was given an article number, beginning with Article 1 and ending with Article 8309. *Id.* The section numbering scheme chosen by the Legislature in 1925 left no room for the future expansion of law or the addition of new statutes.
Id.

After the Legislature completely revised the Texas statutes in 1925, it continued in later sessions to enact legislation which added to, deleted from, or revised the State's arrangement. ROA, vol. 2, p. 380; ROA, vol. 3, p. 481. In some instances, when the Legislature enacted laws which added to existing law it did so without assigning the new law a section number, article number, or subject matter heading. ROA, vol. 2, p. 380; ROA, vol. 3, p. 481. In other instances, the Legislature supplied the appropriate section number when it enacted the legislation. ROA, vol. 2, pp. 380-81; ROA, vol. 3, p. 481. If the Legislature authored the legislation and supplied a section number, the private publisher, Vernon Law Book Co.[2] or West, would insert the new law into the State's arrangement as directed by

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[1]The Record on Appeal is in three volumes. The State will refer to the Record on Appeal by using the abbreviation "ROA," along with the relevant volume and page number.

[2]Vernon Law Book Co. was West's predecessor in interest.

the Legislature. 882 F.2d at 173. If the Legislature failed to supply a section number, Vernon Law Book Company or West placed the newly enacted law into the State's arrangement, in front of or behind statutes dealing with the same general subject matter. *Id.*

Because the numerical system established by the Legislature in 1925 left no room for expansion, new statutes were identified by an article or section number from the State's 1925 arrangement of 1925 coupled with a unique qualifying identifier. *Id.* at 173-74. For example, Title 116 discusses "Roads, Bridges, and Ferries." *Id.* at 174 n.3. The 1925 version of Article 6701, contained within Title 116, covered the "Width of Wheels." *Id.* at 174 n.3. Article 6701a, "Permits for Heavy Trucks on Highways," was added by the Legislature in 1929 and Article 6701b was added in 1931. *Id.* at 174 n.3. Thereafter, Article 6701a-1 was added in 1935, Article 6701a-2 in 1981 and Article 6701a-3 in 1985. *Id.* at 174 n.3.

Additional intermingling within the State's arrangement occurred as the Legislature enacted statutes to amend sections of that arrangement. The intermingling happened because the Legislature identified the statute to be amended by the appropriate cite, disregarding whether it was West or the Legislature itself who had assigned the cited section number and heading.

In 1963, the Legislature began another cumulative revision of Texas statutes, this time dividing the statutes into various subject matter codes such as the "Business and Commerce Code," "Government Code," and "Education Code." 882 F.2d at 174 n.4. As each code is or was enacted by the Legislature, all previous statutes dealing with these subject matters in the Revised Civil Statutes are or were repealed. *Id.* The Legislature repealed the appropriate Revised Civil Statutes by citing to the section number, a number which in some instances was purportedly assigned by West. ROA, vol. 3, p. 482. By so doing, the

Legislature has also adopted those numbers. As of this date, the recodification is approximately half complete. ROA, vol. 2, p. 383; ROA, vol. 3, p. 482. Therefore, approximately half of Texas statutory law still takes the form of the 1925 version of Texas Revised Civil Statutes. ROA, vol. 3, p. 482.

West has consistently bid for contracts to compile, index, and publish the Texas session laws, and West has been awarded these contracts for decades. ROA, vol. 2, p. 385; ROA, vol. 3, p. 479. West publishes *Texas Revised Civil Statutes Annotated* and other law books and actively sells those books in the State of Texas. ROA, vol. 3, p. 479. In each volume of *Texas Revised Civil Statutes Annotated,* West claims a copyright. ROA, vol. 2, p. 379; ROA, vol. 3, p. 479.

Texas brought this suit on behalf of its agencies, institutions, and political subdivisions that use and print the law and statutes of the State, and on behalf of the citizens of the State in its *parens patriae* capacity, seeking a declaration of judgment pursuant to 28 U.S.C. § 2201 (1987). Texas maintains that the numbers and headings inserted by West were inserted into an official arrangement authored by the Legislature in 1925, and, thus, are not copyrightable.[3] In the alternative, Texas maintains that the article numbers and headings purportedly copyrighted by West are within the public domain based upon the fact that the numbers supplied by Texas and those added by West are intermingled to the

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[3] West states that it "claims a copyright in its arrangement of Texas statutes, arrangements expressed through the use of article designations and headings for each statute which indicate the location and placement of a particular legislative enactment within West's *Vernon's* compilations." ROA, vol. 2, p. 385. West further asserts that it only claims a copyright in West created article designations and headings. If West does indeed hold a copyright in the section numbers and headings it added, the practical effect is that West holds a copyright to the entire Texas Revised Civil Statutes arrangement, because the numbers added by West are intermingled with the numbers appearing in the arrangement authored by the State in 1925.

point that they are interdependent.[4] Texas further maintains in the alternative that the article numbers and section headings are not the property of West, as they were added by West as Texas' agent, pursuant to a series of contracts entered into between them. Alternatively, Texas maintains that it is a joint owner of any copyright in Texas statutes allegedly held by West and is entitled to an accounting and to have its name listed in the copyright records as co-owner.

REASONS FOR GRANTING WRIT

Texas sued West Publishing Company in an effort to return Texas statutory law to the public domain where it belongs. The United States Court of Appeals for the Fifth Circuit held that because Texas was not a commercial publisher there was no actual controversy. In so holding, the Fifth Circuit offended well-settled principles of law established by this and other federal courts. The lower court further failed to recognize the broad nature of the long-standing public domain principle that the law is not subject to copyright, and ignored underlying public policy considerations.

Although this Court has held that all law must remain in the public domain, it has not decided the important questions of federal law addressed by the Fifth Circuit in the instant case. The questions presented herein,

> --whether Texas' interest in returning its statutory law to the public domain is sufficiently adverse to West's putative

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[4] West claims copyright in those portions of its *Vernon's* compilations that are orginal to West, including the arrangements of the compilations, as expressed by West-created article designations and headings. The Copyright appearing at the front of each volume of West's statutory publications gives no notice as to what extent West claims a copyright. It has always been logical to the State that West should obtain a copyright to its headnotes and interpretive commentaries. West now claims to be outright owner of the arrangement of Texas' laws.

> copyright interest to present an actual controversy, notwithstanding the State's status as a non-commercial publisher, and
>
> --whether Texas' invalidity claim removes the actual claims,

are of paramount importance and, thus, should be settled by this Court.

I. THE FIFTH CIRCUIT'S DECISION OFFENDS WELL-SETTLED PRINCIPLES OF LAW.

A. All Law Must Remain In The Public Domain And Is Not Subject To Copyright.

This Court has long recognized that all law must remain in the public domain and is not subject to copyright. *Wheaton v. Peters,* 8 Pet. 668, 33 U.S. 591 (1834); *Banks v. Manchester,* 128 U.S. 244, 253, 9 S.Ct. 36, 40 (1888); *Callaghan v. Myers,* 128 U.S. 617, 9 S.Ct. 177 (1888). The Court's first examination of the public domain issue, *Wheaton v. Peters,* involved a copyright dispute over United States Supreme Court opinions. 33 U.S. at 668. Although not explaining its rationale, the *Wheaton* Court stated that "the court are [sic] unanimously of opinion, that no reporter has or can have any copyright in the written opinions delivered by this court; and that the judges thereof cannot confer on any reporter any such right." *Id.*

Due process concerns caused this Court to invalidate a state law which allowed the official reporter for the highest court in that state to obtain a copyright for judicial opinions. As explained by the Court,

> The whole work done by judges constitutes the authentic exposition and interpretation of the law, which binding every citizen, is free for publication to all, whether it is a

> declaration of unwritten law, or an interpretation of a constitution or a statute.

Banks, 128 U.S. at 253; 95 S.Ct. at 40.

Though this Court has never directly addressed whether statutes are subject to copyright, several lower courts, relying upon *Wheaton* and its progeny, have denied copyright protection to statutory law. *Howell v. Miller*, 91 F. 129, 137 (6th Cir. 1898); *Georgia v. Harrison Co.*, 548 F. Supp. 110, 114 (N.D. Ga. 1982), *vacated by agreement between the parties*, 559 F. Supp. 37 (N.D. Ga. 1983); *Davidson v. Wheelock*, 27 F. 61 (C.C.D. Minn. 1866).

In the only recent circuit court opinion applying the public domain principle, the United States Court of Appeals for the First Circuit reviewed the entire body of public domain case law. *Building Officials & Code Adm. v. Code Technology, Inc.*, 628 F.2d 730, 733-735 (1st Cir. 1980). The issue before the court in *Building Officials* was whether state-promulgated administrative regulations modelled on a privately developed copyrighted code could be subject to a copyright. *Id.* In reversing the grant of a preliminary injunction and thus denying copyright protection, the court stated:

> The cases hold that the public owns the law not just because it usually pays the salaries of those who draft legislation, but also because, in the language of *Banks v. West*, 27 F. 50, 57 (C.C.D. Minn. 1886), "Each citizen is a ruler, - a law-maker." The citizens are the authors of the law, and therefore, its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process.
>
> Along with this metaphorical concept of citizen authorship, the cases go on to emphasize the very important and practical

> policy that citizens must have free access to the laws which govern them. This policy is, at bottom, based on the concept of due process.

628 F.2d at 734. The First Circuit noted that a copyright holder has an absolute right to refuse to publish the copyrighted material and to prevent anyone from doing so, thereby preventing public access to the material. *Id.* at 734-35. "We cannot see how this aspect of copyright protection can be squared with the right of the public to know the law to which it is subject." *Id.* at 735.

B. The Circuit Court's Opinion Is Contrary To The Broad Nature Of The Public Domain Principle And Ignores Underlying Public Policy Considerations.

In holding that an actual controversy was lacking in the instant case, the Fifth Circuit failed to recognize the broad nature of the well-settled public domain principle that the law is not subject to copyright, and ignored underlying public policy. Indeed, the Fifth Circuit seemed to call into question the very nature of this concept:

> Texas also asserts that West can not hold a copyright in the Vernon's arrangement because Vernon's is the only "accessible" version of Texas statutory law. Texas argues that it has an obligation under the due process clause to provide its residents with access to its laws and that West's copyright impinges on this obligation. This argument is without merit. Texas residents have ready access to the General and Special Laws of Texas, which are published after each legislative session. Also, over half of Texas statutory law has already been arranged under the 1963 recodification process and West does not claim a copyright in this arrangement. Finally, there is no evidence that anyone is

> being denied access to Vernon's or that West intends to deny access in the future. Accordingly, Texas residents are not being deprived of any due process right they could conceivably have to access Texas laws.

Texas v. West Publishing Co., 882 F.2d at 177 (emphasis added).

The Fifth Circuit's statement that due process rights are not implicated because there is access to the General and Special session laws is correct, but only in an absolute sense. If tomorrow West invoked its right as a copyright owner to refuse to publish Texas statutory law and prevented anyone else from publishing it in its current form, citizens arguably have access to the *actual text* of statutory law through the Special and General session laws. This argument, however, is valid only in an absolute, albeit, limited sense; in reality, citizens would be deprived access to Texas statutory law. If West is allowed a copyright in the numbering and arrangement of Texas statutory law, the practical effect is to give West a copyright in the statutes themselves, since the statutory law of Texas is completely inaccessible without reference to the article and/or section numbers in the arrangement as it now exists. If it violates due process rights for a private publisher to hold a copyright in the law, it follows that due process rights are implicated when a private publisher can copyright the only arrangement of such law that makes it accessible.

The Fifth Circuit found that there was no actual controversy in the instant case because "there is no evidence that anyone is being denied access to Vernon's or that West intends to deny access in the future." 882 F.2d at 177. "Accordingly, Texas residents are not being deprived of any due process right they could conceivably have to access Texas laws." *Id.* Thus, the Fifth Circuit implies that even *if* section and article numbers are considered statutory law, Texas has failed to prove an actual controversy because West is *still publishing the law*. The Fifth Circuit opinion directly

conflicts with the First Circuit opinion in *Building Officials & Code Adm.*, 628 F.2d at 733-35. There the First Circuit held that the absolute right a copyright holder possesses to control dissemination of the copyrighted material cannot "be squared with the right of the public to know the law to which it is subject." 628 F.2d at 735.

Texas brought this lawsuit in its *parens patriae* capacity on behalf of citizens of the state. Texas has an interest in providing its citizens with maximum access to its statutory law. While this concept may be nebulous and difficult to characterize, that does not diminish its importance nor make Texas any less interested.

As experts in copyright law noted when discussing the Eighth Circuit's decision in *West v. Mead Data Central, Inc.*, 799 F.2d 1219 (8th Cir. 1986), *cert. denied*, 479 U.S. 1070, 107 S.Ct. 962 (1987), "[F]ew cases have as much potential for harm--harm that is all the more insidious for being so subtle." Patterson & Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 U.C.L.A. L.Rev. 719, 809 (1989). Though referring to the *Mead Data* case, the authors state that the principles governing the discussion of the *Mead Data* case should apply with equal force to a copyright in chapter and section numbers of statutory law, such as in the instant case. *Id.* at 725-26 n.16. "If anything, there is a stronger case for the noncopyrightability of statutory section numbers, at least on public policy grounds." *Id.*

The tone of the Fifth Circuit's opinion further suggests that the court misunderstood both the extent of controversy necessary to rise to the level of a "justiciable controversy capable of judicial resolution" and the nature of the dispute between the parties in the instant case. The Fifth Circuit seemed to personalize the dispute and was almost incredulous that the State could bring a lawsuit against a publisher that did such fine work and had such a fine reputation. The issue in this case, however, is not West's

work product. The fact that West provides the legal community with a quality product is not material. Traditional notions of due process are offended when *anyone* holds a copyright in statutory law. It is the holding of the copyright itself which offends notions of due process; it is the holding of the copyright which gives a private publisher censorship over Texas law; *and,* it is the holding of the copyright which creates an actual controversy, a real dispute capable of judicial resolution.

> As stated by legal commentators:
>
> West's success in blunting the competitive challenge can be attributed in part, no doubt, to the fact that West has been an intelligent and paternalistic monopolist, serving the bench and the bar well. It has done a superior job of publishing case reports and statutes: it sells its volumes at a reasonable price; it is quick, especially compared with the governmental functionaries whose efforts it has largely replaced; and its quality control is first-rate. For this, West deserves commendation. But a monopolist is still a monopolist. Its past good deeds do not alter the law of human nature, as West's claims in West Publishing - and to statute section numbers - demonstrate.

Patterson & Joyce, *Monopolizing the Law* 36 U.C.L.A. L.Rev. at 812 (emphasis added).

As these authors recognize, the ultimate issue is not the right of the copyright holder to its property interest, but "the right of the public to have unfettered access to the law. . . ." *Id.* at 814. "The question [courts should ask] is not whether copyright as a proprietary right must override the public interest in access to the law. The question is whether copyright as a statutory monopoly enables a law book publisher to capture the law from the public domain and retain control of the key that unlocks access." *Id.*

II. THE PURPOSE OF THE DECLARATORY JUDGMENT ACT, THAT IS, TO RESOLVE UNCERTAINTIES AND CONTROVERSIES WHICH MIGHT RESULT IN FUTURE LITIGATION, WILL BE FRUSTRATED IF THE FIFTH CIRCUIT'S DECISION IS NOT REVERSED.

To be capable of judicial review under the Declaratory Judgment Act, a dispute must be "definite and concrete, reaching the legal relations of parties having adverse legal interest." *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240-41, 57 S.Ct. 461, 464 (1937). A declaratory judgment action provides plaintiffs with a vehicle to decide their disputes; it "gives a means by which rights and obligations may be adjudicated in cases involving an actual controversy that has not reached the stage at which either party may seek a coercive remedy and in cases in which a party who could sue for coercive relief has not yet done so." 10A C. Wright, A. Miller & M. Kane, *Federal Practice and Procedure* § 2751 (1983). Congress enacted the Declaratory Judgment Act in part to relieve plaintiffs of the heavy burden of proof necessary to obtain an injunction. *Steffel v. Thompson*, 415 U.S. 452, 466, 94 S.Ct. 1209, 1219, 39 L.Ed.2d 505 (1974).

> The remedy . . . is intended to minimize the danger of avoidable loss and the unnecessary accrual of damages and to afford one threatened with liability an early adjudication without waiting until his adversary should see fit to begin an action after the damage has accrued. It relieves potential defendants "from the Damoclean threat of impending litigation which a harassing adversary might brandish, while initiating suit at his leisure--or never." *Japan Gas Lighter Assn. v. Ronson Corp.*, D.C.N.J. 1966, 257 F.Supp. 219, 237. It permits actual controversies to

> be settled before they ripen into violations of law or a breach of contractual duty and it helps avoid multiplicity of actions by affording an adequate, expedient, and inexpensive means for declaring in one action the rights and obligations of litigants.

10A C. Wright, A. Miller & M. Kane, *Federal Practice and Procedure* § 2751 (1983) (citations partially omitted). *See also, Government Employees Insurance Co. v. LeBleu,* 272 F.Supp. 421, 426-27 (E.D. La. 1967).

Texas has not sought an advisory opinion. The dispute between Texas and West Publishing Co. is real, with concrete issues and self-interested parties vigorously advocating opposing positions. The dispute between the parties is exactly the kind of dispute intended for resolution under the Declaratory Judgment Act. The Fifth Circuit erred when it held otherwise.

III. THE STATE OF TEXAS IS THE ONLY PARTY WHICH CAN VINDICATE THE INTEREST ASSERTED IN THE INSTANT CASE, AND A FEDERAL COURT IS THE EXCLUSIVE FORUM FOR LITIGATING THOSE CLAIMS.

The Fifth Circuit held that Texas could not prove an "actual controversy" and thus, would be denied access to the federal courts, inasmuch as Texas is "not a competitor of West and is not engaged in any publishing activity that places it in adversarial conflict with West." 882 F.2d at 175-76. The Fifth Circuit would grant the ability to seek an invalidation of West's purported copyright only to a commercial publisher. No one other than the State of Texas in its *parens patriae* capacity has an interest in assuring that Texas statutory law remains in the public domain. Any competitor who sues West necessarily acts in its own proprietary interest. Furthermore, that competitor may well find it more financially beneficial to resolve its invalidation claims by sharing in West's monopoly position rather than

continuing to litigate the issue. Texas, on the other hand, has a far broader interest than a litigating competitor. As a result of the circuit court's opinion, however, Texas has no forum in which to vindicate the due process rights of its citizens.

The Fifth Circuit further stated that "Texas can not bootstrap itself into a decision on the [copyright] validity claim by asserting secondary claims that necessarily depend on the resolution of the primary claim." *Id.* For that proposition, the court cited *Windsurfing International, Inc. v. AMF, Inc.*, a 1987 federal circuit case, and *Techniques, Inc. v. Rohn*, a 1984 federal district court case. *Windsurfing* and *Techniques* both involved pendent *state* claims. *Windsurfing Int'l, Inc.*, 828 F.2d 755, 758 (Fed. Cir. 1987); *Techniques, Inc.*, 592 F.Supp. 1195, 1198 (S.D.N.Y. 1984). Since those cases involved pendent *state* claims, the plaintiffs could file lawsuits in state court once the federal lawsuits were dismissed. In the instant case, however, all three claims alleged by Texas, copyright invalidity, work-for-hire, and joint ownership "arise under" the copyright act, thereby conferring exclusive jurisdiction upon the federal court system. 28 U.S.C. § 1338(a). By holding that only competitors can challenge a copyright, and that Texas' joint ownership and work-for-hire claims are mere restatements of the copyright invalidity claim, the Court has also deprived Texas of any forum in which to litigate the joint ownership and work-for-hire claims arising under the copyright act.

Texas has been contracting with West for more than 40 years for the compiling, indexing, and publishing of Texas session laws. In contracting with West, Texas never intended to transfer or in any manner alienate any copyright interest it may have in the state authored arrangement of the 1925 Revised Civil Statutes and in the section numbers and headings added to such statutes by West. In fact, any such transfer or alienation of Texas interest would violate the Texas Constitution. Tex. Const. art. III, § 51. 28 U.S.C. § 1338(a).

Texas had not chosen in the past to assert an ownership interest in the work performed by West pursuant to such delegation because of its posture that such law was and is in the public domain. If, however, there is a copyright in the work performed by West, that copyright should be owned by Texas and not by West nor any other private publisher. Although Texas wishes to gain the benefit of any bargain it struck with West, its primary goal is to ensure access to the law. To ensure that access, Texas filed suit.

Given Texas' goal of public access and the various means by which its goal could be achieved, Texas pled its causes of action in the alternative.[5] Count Two of the complaint asserts that West acted as the State's agent when it numbered a limited amount of Texas' new statutes. This agency relationship invokes the Copyright Act work-for-hire provisions and, thus, arises independently under federal law. In Count Four, Texas asserts a joint ownership interest in the copyright that West claims belongs solely to it under federal law. These work-for-hire and joint ownership counts stand alone and are not as the Fifth Circuit held, "pleading stratagems," designed to restate count one solely to invoke the jurisdiction of the federal courts.

There is no reported case law construing the "actual controversy" requirement in copyright ownership disputes "arising under" the federal copyright act, such as work-for-hire or joint-ownership, presumably because the battle over the ownership interest clearly illustrates the controversy. By

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[5]Fed. R. Civ. P. 8(e)(2) specifically allows alternative pleading. The language of the rule precisely fits the State's case: "When two or more statements are made in the alternative and one of them if more independently would be sufficient, the pleading is not made insufficient by the insufficiency of one or more of the alternative statements." *See Henry v. United States*, 424 F.2d 677, 679 (5th Cir. 1970). The rule attempts to prevent a plaintiff from being confined to a single theory, *Banco Continental v. Curtiss Nat. Bank of Miami Springs*, 406 F.2d 510, 513 (5th Cir. 1969); the court's linkage of all counts to the single issue of invalidity breaches this prohibition.

treating Texas' alternative claims as mere restatements of its invalidity claim, the circuit court ignored the parties' actual dispute and effectively held that Texas' invalidity claim removes the actual controversy inherent in its work-for-hire and joint ownership claims.

CONCLUSION AND PRAYER

For the foregoing reasons, the State of Texas respectfully requests that its Petition for Certiorari be granted, and that the decision of the Fifth Circuit be reversed.

Respectfully submitted,

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APPENDIX A

THE STATE OF TEXAS
v.
WEST PUBLISHING COMPANY

No. 88-1114.

United States Court of Appeals,
Fifth Circuit.

Argued and Submitted Dec. 6, 1988
Decided Sept. 5, 1989

Before WISDOM, GARWOOD, and JOLLY, Circuit Judges.

GARWOOD, Circuit Judge:

Plaintiff-appellant the State of Texas (Texas) appeals the district court's dismissal of its suit against defendant-appellee West Publishing Company (West) seeking declaratory judgment that West's copyright in West's arrangement of Texas statutes is invalid. 681 F.Supp. 1228. The district court dismissed the suit for lack of subject matter jurisdiction after concluding that the action did not present an "actual controversy." We affirm.

Facts and Proceedings Below

For several decades Texas and West have enjoyed an amicable publishing relationship. Since 1914, West and its predecessor, Vernon Law Book Company, have collected, arranged, and published Texas statutory law in *Vernon's Annotated Texas Statutes*. In 1925 the Texas Legislature reorganized all laws in effect at that time into three major divisions: civil statutes, criminal statutes, and criminal

procedure statutes.[1] The civil statutes comprised a two-volume set known as the "Revised Civil Statutes." The focus of this litigation is West annotated version of the Revised Civil Statutes, known as *Vernon's Annotated Revised Civil Statutes* (Vernon's). Tex. Rev. Civ. Stat. Ann. (Vernon 1962).

Defying the legislative process, the 1925 statutory classification scheme did not provide for expansion of the law through the addition of new laws. Subsequent changes or additions to Texas law, which were not given a placement designation by the legislature, were reviewed by West and then arranged by West for appropriate placement within Vernon's. *See Johnson v. City of Fort Worth,* 774 S.W.2d 653 (1989 Tex.) (providing a useful discussion on the codification process).[2] West identified such new statutes--

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[1] Each of the major divisions is broken down by subject matter titles. The 1925 arrangement consisted of 131 numbered titled arranged in alphabetical order. Since 1925, eighteen new titles have been added to the Revised Civil Statutes and eight titles have been abolished. The titles are subdivided by article numbers, beginning with Article 1 and ending with Article 9204. If it is necessary, the Articles are then divided into sections.

[2] In *Johnson v. City of Fort Worth*, the Texas Supreme Court considered whether section 16.061 of the Civil Practice and Remedies Code prevented section 16.008 of that code from acting as a bar to the defendant-City's claim for contribution from the co-defendant architect. *Johnson*, 774 S.W.2d at _____. Section 16.061 provides that a city's right of action is not barred by several sections of the Code. Section 16.008 was not listed in section 16.061, but the City claimed that section 16.061 was intended as a nonsubstantive change of its predecessor statute, article 5517, and that article 5517 did bar section 16.008 from operating against the City.

Article 5517, adopted as part of the 1925 Revised Statutes, was included in "Title 91. Limitations." Revised Statutes, sec. 1, art. 5517, 39th Leg., 1925 Tex. Rev. Civ. Stat. 2, 1555, *amended by* Act of Apr. 6, 1939, tit. Limitations, ch. 1, 46th Leg., 1939 Tex. Gen. Laws 485, *amended by* Act of May 19, 1953, ch. 348, 53d Leg., 1953 Tex. Gen. Laws 857, *repealed by* Civil Practice and Remedies Code, ch. 959, sec. 9(1), 69th Leg., 1985 Tex. Gen. Laws 3242, 3322 (currently codified as Tex. Civ. Prac. & Rem. Code Ann. § 16.061 (Vernon 1988)). Section 16.008's predecessor was passed by the legislature in 1969. The legislature did not designate placement within the statutes, so West assigned "article 5536a" to the 1969 enactment,

as to which the legislature had made no placement designation--by a 1925 article or section number that was coupled with a West-generated identifier.[3] The result of West's efforts was Vernon's-an up-to-date, readily accessible version of Texas' civil statutes. *See id.* at _____. West claims a copyright in the Vernon's arrangement. West does not claim a copyright in the text of the statutes themselves or in any official compilation or other arrangement of Texas statutes.[4]

Texas publishes legislation enacted subsequent to the 1925 Revision in the General and Special Laws of Texas. These official session laws are printed in chronological order after each legislative biennium. West claims no copyright in any of these. The printing of the session laws is done by the successful commercial bidder. From 1941 to 1985, West was the successful bidder. In 1985, the seeds of discontent between the parties were apparently sown when the bid contract was awarded to the Bancroft-Whitney Company.

In 1985, Bancroft-Whitney brought a declaratory judgment action in Texas against West to have West's

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see Johnson, 774 S.W.2d at _____, "seemingly placing it within Title 91." Id. at _____.

The Texas Supreme Court found that the West-supplied number "cannot have the force of law," and the court found "nothing in the language or history of this enactment to suggest that article 5536a, now section 16.008, was to have been encompassed within the provisions of article 5517, now section 16.061." *Id.*

3 For example, Title 116 deals with "Roads, Bridges, and Ferries." The 1925 version of Article 6701, contained within Title 116, covered the "Width of Wheels." Article 6701a was added by the legislature in 1929 and concerns "Permits for Heavy Trucks on Highways," Article 6701a-1 was added in 1935, Article 6701a-2 in 1981 and Article 6701a-3 in 1985. So many additions to the single paragraph provision known in 1925 as Article 6701 have occurred that currently Articles 6701d through 6701m-2 encompass an entire Vernon's volume plus a 145-page pocket part.

4 In 1963, the Texas legislature began a major revision of the 1925 Texas statutory classification scheme. The recodification is ongoing and is now over half complete. The new scheme groups the statutes by topical code, such as the "Business and Commerce Code." As each new code is enacted by the legislature, the earlier statutes dealing with these subject matters in the Revised Civil Statutes are repealed. West does not claim a copyright in Texas' arrangement of the new codes.

alleged copyright declared invalid.[5] West counterclaimed for copyright infringement. The case was removed to a federal district court in Minnesota, where it is still undecided. In the 1987 Texas legislative session, SB 664 was introduced into the legislature. The bill provided for Texas' official "adoption" of the Vernon's arrangement.[6] West and Bancroft-Whitney lobbied intensively for their respective positions, with West the ultimate victor. In the fall of 1987, after the defeat of SB 664, Texas filed the present declaratory judgment action under 28 U.S.C. § 2201 against West to have West's copyright declared invalid. West moved to dismiss pursuant to Fed. R. Civ. P. 12(b)(1) and 12(b)(6). The district court dismissed pursuant to 12(b)(1) after concluding that subject matter jurisdiction was

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[5] The core of the Bancroft-Whitney and West litigation does not involve the printing contract; rather, the conflict revolves around Bancroft-Whitney's purported plans to market an electronic version of the Texas Code Service (TCS). TCS would contain the Vernon's arrangements that are allegedly subject to West's copyright. A user of the TCS would be able to access Vernon's without ever having to refer to or purchase a Vernon's volume. In many ways, the Bancroft-Whitney litigation appears to be analagous to the Mead Data and West litigation.

In *West Publishing Co. v. Mead Data Central, Inc.* 616 F.Supp. 1571 (D. Minn. 1985), *aff'd*, 799 F.2d 1219 (8th Cir. 1986), *cert. denied*, 479 U.S. 1070, 107 S.Ct. 962, 93 L.Ed.2d 1010 (1987), West sued Mead Data for Mead Data's infringement of their copyright in the numbering and pagination of the Federal Reporter System. Mead Data was attempting to provide its LEXIS users with "star" pagination, which would allow the user to obtain the page number in the Federal Reporter System without ever having to refer to or purchase a Federal Reporter volume. Prior to a decision on the merits, the parties settled their dispute.

While the Bancroft-Whitney and Mead Data cases contain similarities, the Mead Data case in irrelevant to our decision because it has nothing to do with the subject matter of this case--West's copyright in an arrangement of Texas' statutory laws. In addition, we do not consider the aggressive posture that West takes with its private publisher competitors as indicative of an aggressive stance towards a noncompetitor such as Texas.

[6] For an interesting discussion of the government's "taking" of copyrighted property under its eminent domain power, see Roberta Rosenthal Kwall, *Governmental Use of Copyrighted Property: The Sovereign's Prerogative*, 67 Texas L.Rev. 685 (1989).

lacking under the Declaratory Judgment Act, 28 U.S.C. § 2201, because the suit did not present an actual controversy. Texas now appeals that ruling.

Discussion

The district court lacks subject matter jurisdiction to issue a declaratory judgment unless an "actual controversy" exists between Texas and West. 28 U.S.C. § 2201(a); *Middle South Energy, Inc. v. City of New Orleans*, 800 F.2d 488, 490 (5th Cir. 1986). It has been said that the case or controversy requirement of Article III of the United States Constitution is identical to the actual controversy requirement under the Declaratory Judgment Act. *Windsurfing Int'l, Inc. v. AMF, Inc.*, 828 F.2d 755, 757 (Fed. Cir. 1987). We have stated that an actual controversy is one where "a substantial controversy of sufficient immediacy and reality [exists] between parties having adverse legal interests." *Middle South*, 800 F.2d at 490 (citing *Maryland Casualty Co. v. Pacific Coal & Oil Co.*, 312 U.S. 270, 61 S.Ct. 510, 512, 85 L.Ed. 826 (1941); *Johnson v. Onion*, 761 F.2d 224, 225 (5th Cir. 1985)). Texas bears the burden of establishing an actual controversy and Texas must prove by a preponderance of the evidence that a controversy exists. *Id.* at 490.

While the basic declaratory judgment principles are well settled, we have not had the opportunity to apply them in the context of an intellectual property case. We are not without guidance, however, because the Federal Circuit provides a wealth of precedent in the intellectual property field and it has articulated fairly clear standards. According to Federal Circuit decision, an "actual controversy" exists in an intellectual property case when both prongs of a two-pronged test are satisfied--(1) when the declaratory plaintiff has a real and reasonable apprehension of litigation and (2) when the declaratory plaintiff had engaged in a course of conduct that brings it into adversarial conflict with the declaratory defendant. *See, e.g., Windsurfing Int'l*, 828 F.2d at 757 (case involving patents); *Indium Corp. v. Semi-Alloys, Inc.*, 781 F.2d 879, 883 (Fed. Cir. 1985), *cert.*

denied, 479 U.S. 820, 107 S.Ct. 84, 93 L.Ed.2d 37 (1986) (case involving trademarks).

We hold that neither prong of this test has been adequately satisfied.[7]

1. Texas Adversarial Activity

Texas engages in limited noncommercial publishing for its own intragovernmental use of pamphlets that contain portions of the Vernon's arrangement. Texas asserts that this activity satisfies the threshold requirement of an "adversarial conflict." In a Federal Circuit case involving patents, the court stated that in order to establish an adversarial conflict "the plaintiff must have either produced the device or have prepared to produce that device." *Goodyear Tire & Rubber v. Releasomers*, 824 F.2d 953, 955 (Fed. Cir. 1987); *see also Windsurfing Int'l*, 828 F.2d at 758 (finding that absent use of the trademark there could not be adverse legal interests between the parties). Applying these principles in the copyright context, the plaintiff must show that it has actually published or is preparing to publish the material that is subject to the defendant's copyright and that such publication places the parties in a legally adverse position.

There is no evidence that Texas has in the past, is currently, or intends in the future to engage in any commercial publishing of Vernon's. Texas' limited noncommercial publication of pamphlets for its own intragovernmental use is not an activity that is legally adverse to West. On the contrary, the record reveals that this limited noncommercial publishing has occurred for years without any conflict of any kind between the parties. Texas is simply not a competitor of West and it is not engaged in any publishing activity that places it in adversarial conflict with West.

Texas cannot satisfy the adversarial conflict requirement by stating that one day *it might* want to compete

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7 Hence we need not determine whether both prongs must be satisfied or whether in certain circumstances establishing one prong and some substitute for the other would suffice.

with West in the commercial publication of the Vernon's arrangement. This imaginary conflict is even more remote than the "conflicts" rejected in the case law where the parties were at least business competitors. *See, e.g., Windsurfing Int'l,* 828 F.2d at 758 (stating that the plaintiff's asserted desire to use the trademark, rather than actually using it, is insufficient to establish a conflict); *Polaroid Corp. v. Berkey Photo, Inc.,* 425 F.Supp. 605, 609 (D. Del. 1976) (finding that plaintiff did not present a legally adverse conflict by "contemplating" use of the defendant's trademark). As one court so aptly put it, this conflict "smacks too much of the hypothetical and contingent." *Windsurfing Int'l,* 828 F.2d at 758 (quoting *Wembley, Inc. v. Superba Cravats, Inc.,* 315 F.2d 87, 90 (2d Cir. 1963).

II. Threats Emanating from West

Moreover, no conduct on the part of West is shown that supports Texas' asserted fear of litigation. To rely on fear of litigation, Texas must establish conduct by West which supports that asserted fear. *Crown Drug Co. v. Revlon, Inc.,* 703 F.2d 240, 243 (7th Cir. 1983). The focus here is on the defendant's conduct that is directed toward the plaintiff. *Id.* Traditional indicia of an objectively reasonable fear of litigation are direct threats by the defendant or a history of litigation between the parties. *Id.* at 243-44. While express or direct threats by the defendant are not essential to establish a plaintiff's reasonable fear of litigation, the plaintiff mush allege a course of conduct that implies an "imminent threat of impending legal action" by the defendant. *Id.; see also Goodyear,* 824 F.2d at 956. A defendant's simply assertion that they hold a copyright in certain material generally does not amount to a threat of litigation. *See International Medical Prosthetics Research Assocs. v. Gore Enters. Holdings, Inc.,* 787 F.2d 572, 576 (Fed. Cir. 1986).

Texas asserts that the "threats" emanating from West are: (1) West's 1985 counterclaim against the private publisher, Bancroft-Whitney, (2) West's vigorous lobbying to defeat SB 664 in 1987, and (3) a letter to a Texas

representative that allegedly "infers" a threat by West to sue Texas. The last "threat" is a letter *from* the Attorney General of Texas to a member of Texas House of Representatives regarding the legal ramifications of SB 644.[8] West had absolutely noting to do with the letter and as such it is inconceivable that it is a threat emanating from West.

West did lobby aggressively against SB 644. That proposed legislation did not pass, and the legislative session at which it was introduced had terminated when this suit was filed. West's lobbying against previously proposed Texas legislation does not translate into a threat of suit against the State of Texas. In fact, the record reveals that West's "lobbying" efforts were directly pointed at Bancroft-Whitney, not the State of Texas. There is a constitutional right to vigorously express opinion on proposed legislation--West and Bancroft-Whitney were merely exercising this right. While West's lobbying indicates that West takes its Vernon's copyright seriously, it reveals nothing about West's intentions to sue Texas for copyright infringement.

The only cognizable "threat" emanating from West is West's counterclaim in the Bancroft-Whitney litigation. In *Indium Corporation,* the Federal Circuit found that the defendant's suits against unconnected third parties did not support a reasonable fear of litigation against the plaintiff. 781 F.2d 879, 883 (Fed. Cir. 1985). Without some other concrete evidence of discord between these parties, Texas cannot place itself in an adverse position with West by relying on an asserted indirect, implied threat by West supposedly arising from the Bancroft-Whitney litigation. *See Goodyear,* 824 F.2d at 956 (finding that an express threat against plaintiff is not required where same parties were involved in other suits regarding the same technology); *Muller v. Olin Mathieson Chemical Corp.,* 404 F.2d 501,

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8 The letter, dated May 15, 1987, was written by Attorney General Jim Mattox in response to a question by Representative James F. Hury, Jr. Representative Hury has asked whether West would have a copyright infringement claim against the State of Texas if SB 644 was enacted. The letter presents the Attorney General's view on the status of West's copyright claim and the possibility of litigation.

504 (2d Cir. 1968) (finding that years of strife between the same parties and numerous patent proceedings supported finding of an actual controversy absent a direct threat by defendant against plaintiff.)[9]

Texas also asserts that West can not hold a copyright in the Vernon's arrangement because Vernon's is the only "accessible" version of Texas statutory law. Texas argues that it has an obligation under the due process clause to provide its residents with access to its laws and that West's copyright impinges on this obligation. This argument is without merit. Texas residents have ready access to the General and Special Laws of Texas, which are published after each legislative session. Also, over half of Texas statutory laws has already been arranged under the 1963 recodification process and West does not claim a copyright in this arrangement. Finally, there is no evidence that anyone is being denied access to Vernon's or that West intends to deny access in the future. Accordingly, Texas residents are not being deprived of any due process right they could conceivably have to access Texas laws.

III. Texas' Alternative Claims

Texas also asserts alternative claims based upon joint ownership and work-for-hire theories. These claims are so intertwined with the primary claim that they expressly

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[9] The cases that Texas asserts are "directly on point" do not aid their position. In *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874 (Fed. Cir. 1983), there was clear discord between the parties as the plaintiff had already been sued by the defendant in state court for recovery of royalties under their patent licensing agreement. *Id.* at 881. In *United Christian Scientists v. Christian Science Board of Directors, First Church of Christ, Scientist*, 829 F.2d 1152 (D.C. 1987), the plaintiff challenged the constitutionality of the defendant's copyright. Plaintiff was a publishing competitor of the defendant and there had been prior copyright disputes between the parties. *Id.* at 1156. In *Societe de Conditionnement v. Hunter Engineering*, 655 F.2d 938 (9th Cir. 1981), the parties were business competitors who were actively engaged in manufacturing the product that allegedly infringed the defendant's patent. *Id.* at 944. In the present case there is no evidence of past discord between Texas and West and Texas is not, by any stretch of the imagination, engaged in publishing Vernon's.

depend upon the prior adjudication of the validity of West's copyright in Vernon's. We cannot reach the issue of the copyright's validity because there is not an actual controversy between these parties. Texas cannot bootstrap itself into a decision on the validity claim by asserting secondary claims that necessarily depend on the resolution of the primary claim. *See Windsurfing Int'l,* 828 F.2d at 756, 759; *Techniques, Inc. v. Rohn,* 592 F.Supp. 1195, 1198 (S.D.N.Y. 1984). Such pleading stratagems only serve to undermine the actual controversy requirement of Article III of the Constitution as it applies to declaratory judgments.

Our decision in *Goodman v. Lee,* 815 F.2d 1030 (5th Cir. 1987), is not to the contrary. In that joint-ownership case, the co-author of a song wished to receive royalties under a specific copyright that was listed solely in the other author's name. Both parties agreed that the copyright was *per se* valid and enforceable. *Id.* at 1031. Here, Texas alleges in its complaint that if the copyright is valid, then Texas would be a joint owner with West.[10] Clearly, what Texas is disputing is the validity of the copyright. We cannot reach the primary issue, so necessarily, the secondary issues are beyond our reach.

Conclusion

In the present case, we agree with the district court that Texas has failed to prove any conduct that satisfies the requirements for an "actual controversy" in an intellectual property declaratory judgment case. Accordingly, the judgment below is

AFFIRMED.

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10 The purely hypothetical and contingent nature of Texas' joint ownership claim, absent a finding of copyright validity, is illustrated by the judgment we would have to render if we decided Texas' secondary claim. Such a judgment would state something to the effect that "Texas is [is not] a joint owner with West of any copyright West holds in Vernon's, *if* West holds any such copyright."

APPENDIX B

THE STATE OF TEXAS
v.
WEST PUBLISHING COMPANY

Civ. A. No. A-87-CA-639.

United States District Court,
W.D. Texas,
Austin Division.

Jan. 13, 1988

ORDER

WALTER S. SMITH, Jr., District Judge

Came on to be considered Defendant's Motion to Dismiss. After careful consideration, the Court is of the opinion that the Defendant's motion is meritorious and should be granted.

Defendant, West Publishing Company (West), seeks to have the State of Texas' claims for declaratory relief pursuant to 28 U.S.C. § 2201 dismissed for lack of subject - matter jurisdiction. Although West argues several grounds for dismissal, this Court is of the opinion that Plaintiff State of Texas (State) has failed to satisfy the threshold requirement that an aciton for declaratory relief present an actual controversy, which is a jurisdictional prerequisite. Consequently, the Court declines to express an opiinion on the merits of the remainder of West's motion.

It is well-settled that "[a] federal court may not issue a declaratory judgment unless there exists an 'actual controversy,' i.e., there must be a substantial controversy of

sufficient immediacy and reality between parties having adverse legal interests." *Middle South Energy, Inc. v. City of New Orleans,* 800 F.2d 488, 490 (5th Cir. 1986). In this regard, the "case or controversy" requirement of Art. III of the Constitution is identical to the "actual controversy" requirement of the Declaratory Judgment Act. *Adams v. McIlhany,* 764 F.2d 294, 299 (8th Cir. 1985); *Windsurfing International, Inc. v. AMF, Inc.,* 828 F.2d 755, 757 (Fed. Cir. 1987). Thus, the fundamental inquiry is "whether the conflicting contentions of the parties ... present a real, substantial controvercy between parties having adverse legal interests, a dispute definite and concrete, not hypothetical or abstract." *Babbit v. United Farm Workers National Union,* 442 U.S. 289, 298, 99 S.Ct. 2301, 2308, 60 L.Ed.2d 895, 906 (1979) (quoting *Railway Mail Assn. v. Corsi,* 326 U.S. 88, 93, 65 S.Ct. 1483, 1487, 89 L.Ed. 2072, 2076 (1945)); *KVUE, Inc. v. Austin Broadcasting Corp.,* 709 F.2d 922, 927 (5th Cir. 1983). While this rule is well-established, it is not, of course, a magic wand to wave over a case and instantly and mathematically divine whether the facts present a "dispute definite and concrete." This Court recognizes that the difference between an abstract or hypothetical question which is not justiciable by a federal court and an "actual controvercy" which is justiciable is one of degree "and is not discernible by any precise test." *Babbit,* 442 U.S. at 297, 99 S.Ct. at 2308, 60 L.Ed.2d at 906.

With this conceptual freamework in mind, the question in this case becomes whether there is an actual controversy of sufficient immediacy and reality in the particular context of a copyright claim. In the absence of Circuit Court authority directly addressing this issue, the Court finds the reasoning in patent and trademark cases persuasive.[1] In

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[1] It is true that the cited cases are patent and trademark infringement cases rather than copyright cases, however, for the purposes of this kind of analysis (i.e. "case or controversy") there is no valid analytical distinction to be drawn between patents, trademarks, and copyrights. While patents, trademarks, and copyrights are technically different in that they represent a property right in different kinds of intellectual

patent and trademark infringement cases where a party has sought a declaratory judgment prior to an actual infringement, federal courts have established a threshhold requirement that "the defendant must have engaged in conduct giving rise to a reasonable apprehension on plaintiffs part that it will face ... suit or the threat of one if it commences or continues the activity in question." *Crown Drug Co., Inc. v. Revlon, Inc.*, 703 F.2d 240, 243 (7rh Cir. 1983); *International Medical Prosthetics Research Associates, Inc. v. Gore Enterprise Holdings, Inc.*, 787 F.2d 572 (Fed. Cir. 1986) ("[the actual controversy] requirement is satisfied when 'a defendant's conduct has created on the part of the declaratory plaintiff a reasonable apprehension that it will face an infringement suit if it commences or continues the activity in question"). Thus, it logically follows that "the focus of the analysis ... must rest on the *defendant's* statements or conduct; a 'reasonable apprehension alone, if not inspired by defendant's actions, does not give rise to an actual controversy.' *Crown Drug*, 703 F.2d at 243 (quoting *International Harvester Co. v. Deere & Co.*, 623 F.2d 1207, 1211 (7th Cir. 1980); *see also International Medical Prosthestics*, 787 F.2d at 575. Consequently, an objectively reasonable apprehension of litigation can only be created by the defendant's actions rather than unilateral conduct on the part of the plaintiff. Under this analysis, the Court is to look at the *defendant's* (i.e. West's) conduct to determine whether it would justify an objectively reasonable fear of litigation whichg would thereby bring the parties into a truly adversarial posturing,

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property, they are conceptually identical in that they are all designed to afford protection of intellectual property rights. Their similarity is even more apparent when one considers how disputes arise all to each. These disputes all typically concern either validity or infringement. The details of the dispute (*i.e.* design copying or paragraph copying) will be different, but conceptually the kind of controversy--interference with intellectual property rights--is identical. One cannot be in a dispute or controversy with a copyright holder unless there is some reason to think that there either is or is going to be an infringement of an actual or asserted copyright and the copyright holder intends to protect its interest. Thus, the "reasonable apprehension of litigation" requirement is just as applicable to copyrights as it is to patents and trademarks.

there can be no "actual controversy" upon which to base this Court's jurisdiction. It is important to note that the burden of establishing this requirement is on the declaratory plaintiff. *Indium Corporation of America v. Semi-Alloys, Inc.*, 781 F.2d 879, 888 (Fed. Cir. 1985); *Accord Middle South Energy, Inc. v. City of New Orleans*, 800 F.2d 488, 490 (5th Cir. 1986).

When one looks at the facts of this case, it becomes evident that the State has failed to carry its burden of showing that an actual controversyt exists *now* between it and West. The State's complaint concedes that the "nature of the controversy" is that:

> It has come to the attention of the State of Texas that West claims a copyright in the statutory headings and article numbers supplied by its editorial board. The State of Texas seeks to establish that any suchg work done by West cannot and should not be copyrighted.

Plaintiff's Original Complaint, p. 7.

The Complaint goes on to request alternative declaratory relief to the effect that if West ever held a valid copyright, the copyrighted material is now in the public domain or that any use of the material by the State would be "fair use." Notwithstanding the alternative requests for relief, the crux of the "controversy" is that the State wants to have the validity of West's claimed copyright adjudicated.

The Federal Circuit noted in *International Medical Prosthetics:*

> [t]hat a patent exists does not alone create a right to challenge its validity in court. Absent an actual controversy, such a challenge is an abuse of the judical process.

International Medical Prosthetics, 787 F.2d at 576.

Similarly, in this case, the fact that someone claims a copyright in certain material does not, standing alone, create a right to challenge it and thereby create a justiciable controversy. The State of Texas may not find it appealing that West has claimed this copyright, but this is not enought to create a dispute which is ripe for the federal courts. There can be no actual controversyt unless West does something

that gives the State a reasonable apprehension of ligigation. Nowhere in its Complaint or other pleadings does the State allege that West has actually threatened a lawsuit or threatened to take *any action* against the State of Texas to protect their claimed copyright or even thatr West has ever accused the State of infringing its claimed copyright. Nowhere in its pleadings does the State allege that it intends to infringe on West's copyright. Nowhere does the State allege that it has engaged in or intends to engage in a course of conduct which either brings it or will bring it into an adversarial conflict with West.

The extent of the State's allegations of apprehension of litigation are that it is publishing certain portions of Texas statutes as part of Texas state administrative bulletins and like publications in the arrangement in which West claims a copyright. Yet, it is undisputed that West has never complained of such publication, has never indicated an intent to complain in the future, has never threatened litigation, and that the State does not intend to expoand or change its current practice nor does West. In sum, the record is simply devoid of any evidence or allegations which would suffice to meet the State's burden of establishing the existence of an actual controversy. The *only* effect that granting the requested relief would have would be to invalidate a claimed copyright. For the Court to issue an opinion on the validity of this claimed copyright under these circumstances would be for the Court to issue an advisory opinion which is beyond the Court's jurisdiction.

The lack of genuine controversy here is further supportd by the State's own brief which states:

> The stakes in this lawsuit are simply too high. The State cannot continue to gamble, based on the assumption that West will (1) continue to allow the State to print its very own statutes, and that West will (2) continue to publish Texas statutory law in the State's arrangement, a portion of which West claims.

Plaintiff's Brief in Opposition to Defendant's Motion for Dismissal, p. 25-26.

The State is basically concerned that it is "gambling" that West will do or not do certain things in the future. While this may not be what the State would consider an ideal situation, the State essentially admits that West has not done or threatened to do anything *yet*. The State is asking for an advisory opinion so that it won't have to "gamble." This is not a proper function of the federal courts.

As to the substance of this "gamble," West claims no interest in the text of the Texas statutes or in Texas law itself. Thus, the State cannot claim to be "gambling" on the access of its citizens to their law in any absolute sense. The State cannot claim any apprehension *at all* in simply publishing its laws in any of the myriad manners available with the exception of the single West editorial arrangement. Nor can the State "gamble" that West will continue to publish because the Stae could not obtain injunctive relief to force West to publich if it did not desire to do so.

Even if the State intended to cancel its agreement with West and start using the West arrangement in its own printing operation (of which there is no evidence or allegation in the record), there would still be no actual controversy unless West took some action or indicated in some manner that it intended to protect its copyright *against the State's action* in such a way as to give the State a reasonable apprehension of litigation. *See Windsurfing Internation, Inc. v. AMF, Inc.*, 828 F.2d 755, 757-58 (Fed. Cir. 1987). Consequently, on *this* record, there is no indication of any conduct on the part of either party which would give rise to a reasonable apprehension of litigation which is a necessary prequisite to the existance of an actual controversy in a declaratory judgment copyright action. All that the Court can discern from this record is that the State wants West's claimed copyright invalidated. Based on these facts, the Court finds that the State has not carried its burden of establishing the existence of a "case or controversy" in order to invoke the Court's jurisdiction. This is not an "actual controversy" and this Court has no subject-matter jurisdiction over this action. Therefore,

IT IS ORDERED that the Defendant's Motion to Dismiss be and is hereby GRANTED.

IT IS FURTHER ORDERED that the Plaintiffs claim be and is hereby DISMISSED.

APPENDIX C

17 U.S.C. § 101:

As used in this title, the following terms and their variant forms mean the following:

* * *

A "collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

"Copies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.

"Copyright owner", with respect to any one of the exclusive rights comprised in a copyright, refers to the owner of that particular right.

A work is "created" when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.

A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work".

A "device", "machine", or "process" is one now known or later developed.

To "display" a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.

A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission.

The terms "including" and "such as" are illustrative and not limitative.

A "joint work" is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

"Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

* * *

"Publication" is the distribution of copies or phonorecords of a work to the public by sale or other

transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

* * *

"State" includes the District of Columbia and the Commonwealth of Puerto Rico, and any territories to which this title is made applicable by an Act of Congress.

A "transfer of copyright ownership" is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license.

* * *

A "work made for hire" is---

(1) a work prepared by an employee within the scope of his or her employment; or

(2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial

notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

17 U.S.C. § 102:

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, form which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works; and

(7) sound recordings.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. § 103:

(a) The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.

(b) The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

17 U.S.C. § 107:

Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is fair use the factors to be considered shall include---

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market or value of the copyrighted work.

17 U.S.C. § 201:

(a) **Initial Ownership.**--Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.

(b) **Works Made for Hire.**--In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

(c) **Contributions to Collective Works.**--Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

(d) **Transfer of Ownership.**--

(1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.

(2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as

provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

(e) **Involuntary Transfer.**--When an individual author's ownership of a copyright or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title except as provided under Title 11.

28 U.S.C. § 2201:

(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1954 or a proceeding under section 505 or 1146 of title 11, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

(b) For limitations on actions brought with respect to drug patents see section 505 or 512 of the Federal Food, Drug, and Cosmetic Act.